

30 JUL 1986

MEMORANDUM FOR: Chief, Production & Services Contract Branch,
Procurement Division, OL

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FROM:

Chief, New Building Project Office, OL

SUBJECT: Reduction of Withholding

1. At the request of Mr. Everett Medling of Smith, Hinchman and Grylls (SH&G), we have examined the withholding and retainage held by the Government on contract 83R798600*000. As of 10 July 1986, the Government is withholding 10 percent of each monthly invoice. Currently, a total of \$120,559 is being retained. At the present time, excluding increment 05 of this contract, SH&G has approximately \$70,000 of work to perform on a firm fixed-price basis.

2. Based on SH&G's satisfactory performance, and the fact that the present retainage exceeds the outstanding work, it is requested that SH&G be allowed to invoice for all except \$20,000 of the amount retained by the Government. It is further requested that the monthly withholding be reduced from the present 10 percent level to 5 percent.

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3. We have discussed this issue with Mr. Medling and SH&G appears to concur in the amounts specified in paragraph 2. Should you have any questions regarding this request, please contact

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OL/NBPO,

30 Jul 86

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